



Foreign Agricultural Service

GAIN Report

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Belgium-Luxembourg

Retail Food Sector

Further Consolidation, ALVO and COLRUYT

2002

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Report Highlights:

As of 2003, ALVO and COLRUYT, two Belgian distribution groups will consolidate their purchases representing a market share of 19 percent.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
The Hague [NL], BE

As of March 2003, two Belgian supermarket chains, COLRUYT and ALVO, will consolidate their purchasing functions to lower costs. All the purchases for both groups will be centralized at COLRUYT. ALVO is thereby joining a much larger distribution group than itself: ALVO turnover amounts to €471 million, whereas COLRUYT turnover represents about €2.3 billion. The COLRUYT-ALVO group together, with a consolidated turnover of €2.8 billion, will represent a market share of about 19 percent. This alliance will create new growth opportunities for both groups.

ALVO has 110 supermarkets, mainly located in Flanders and the Grand-Duchy of Luxembourg. Due to its alliance with COLRUYT, ALVO expects some expansion which will result in an improved position on the market for independent supermarkets. By choosing to collaborate with COLRUYT, ALVO joins one of the main Belgian distributors whose profitability, efficiency and know-how are considerable.

COLRUYT has 170 stores. It collaborates with the Dutch group SUPERUNIE which has an annual turnover of €5 billion. By joining ALVO, COLRUYT is furthering the interests of independents, which will increase their impact on the Belgian market.